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DEPARTMENT OF STATE
BRIEFING MEMORANDUM

7318516

S/S

October 5, 1973

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To: The Secretary

From: AF - David D. Newsom D.D.N.
by CCF

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African Problems

A. The Problems:

Two major problems condition US relations with African nations. Each will affect our political and economic access to Africa over the next year and beyond. They are:

1. our attitude toward southern African issues; and
2. our response to African economic concerns.

Most African states are still on an economic treadmill. Forty million Africans are denied racial equality and political and economic opportunity in southern Africa.

B. Where We Are:

Our relations with Africa overall are going downhill. The gap between the Africans' preoccupations and our policy responses is widening. Their frustrations center on the United States, and they view US commitments as ineffectual. Our access to their resources and our influence on their votes are at stake. Our credibility on moral questions of racial equality is challenged.

2 A continued downward trend in our relations would make access to the people and the resources of Africa more difficult and worsen the atmosphere in which we deal with this and future generations on matters affecting US interests. The Chinese, and to a lesser extent the Soviets, will gain at our expense.

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AF - David D. Newsom

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Bilaterally, our relations with the great majority of the 42 African states are good, even where our approaches differ fundamentally. But we are witnessing a trend in which even the most moderate and pro-US nations feel the need to trim their sails on major all-African and third-world issues. The recent Organization of African Unity summit, the Oslo Conference on Colonialism and Apartheid and the Algiers non-aligned conference with its "third-world" themes encouraged this trend.

Examples are Mobutu's more independent stance, Houphouet-Boigny's attendance for the first time at the non-aligned conference, and the growing movement against Israel in Africa. At the same time, African extremism and violent aberrations such as those in Uganda and Burundi reduce US sympathies for Africa's broader concerns.

These setbacks have diluted this Administration's gains in Africa:

- The worldwide prominence given to the Byrd provision on chrome from Rhodesia;
- Our votes on colonialism and apartheid in the UN, isolating us from both Africans and Western allies;^{1/}
- The decline in US official bilateral development assistance, i.e. AID, PL-480 and Peace Corps, to Africa during FY 1971 to 1973 from \$324 to \$243 million;
- The dramatic and sudden shortfall this year in PL-480 deliveries; and

^{1/}US votes in the 23rd to 27th General Assemblies (1968-1972 were:

colonialism - 7 yes, 24 no, 20 abstain

apartheid - 14 yes, 7 no, 13 abstain

Latter figure is somewhat misleading as it includes eight votes on one resolution in 1971 (5-1-2) and six on another in 1972 (2-1-3).

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- Our Congressional difficulties on IDA replenishment and the African Development Bank.

The following gains, representing Administration efforts over four years, are nevertheless significant:

- Our opening to China and our detente with the USSR have reduced the Africans' tendency to try to play us off against those countries;
- We were more candid with the Africans concerning what we could and could not do;
- We reduced the incidence of charges of US involvement in internal African affairs;
- We established a basis for frank, constructive communication with South Africa;
- We encouraged attention to the labor practices of US firms in South Africa, thereby reducing domestic pressures for the withdrawal of US investment;
- We took a position against investment in Namibia;
- We created strong economic relations with Algeria, including access to its significant gas reserves, in the absence of diplomatic relations;
- Our promotional efforts helped stimulate an increase in US private investment in the African developing countries, from the beginning of 1969 through 1971, from \$2.2 to \$2.9 billion. EXIM lending rose from \$36.9 million in 1969 to \$101 million in 1972.
- We are giving substantial help to the drought-stricken Sahelian countries.

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C. Our Objective:

Our objective in Africa is to reverse the downward trend.

We must build upon the leverage and good will we have so as to strengthen our chances for future African cooperation where we may need it.

Africans expect more of us than we can or will do for them. We can, however, detach ourselves from our present position where, in the UN and elsewhere, we seem to be in the forefront of those opposing the Africans.

Should we reverse the trend, we can expect no miracles. Many Africans, heavily influenced by third-world pressures, will continue to support causes opposed to us. Nevertheless, we believe a more positive approach on southern African and economic issues will best serve our interests on the continent.

D. Our Options:

We have three basic options in our policy approach to Africa:

1. Lean more in the direction of black African preoccupations. This option would be short of either recognition or military support for the liberation movements and would continue contact with South Africa. Essentially, this is the option we recommend.

2. Decide that black Africans have little capacity to damage our interests and that we should emphasize those countries, including South Africa, where our maximum commercial and strategic interests lie. This decision would call for a minimum of comment or involvement in the internal affairs of the white-ruled states. It would be incompatible, however, with our national commitment to racial equality and equal opportunity.

3. Preserve a posture of balanced relationships with black African states and the white-ruled states of Africa. This essentially is our current policy. It

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has provided contact with both sides, an arms embargo against South Africa and Portugal, and general restraint in our relations with the southern area. We no longer believe it can continue to support our basic needs in Africa.

E. Southern Africa:

This is an area of the world where violent confrontation is intensifying.

Our NATO and bilateral ties with Portugal, our position on issues in the UN and the interest of many in the United States already engage us in southern African problems. A major outbreak of conflict in this area could bring pressures for US involvement from both sides in the conflict. We want to avoid this, if only because our influence is limited.

The Portuguese are firm in their determination to hang on. The racist South African leadership is basically rigid. Namibia is a UN problem; Rhodesia a British one.

Our efforts should be to create an impression in Africa of greater balance in our basic attitudes toward these issues. Specifically, we suggest:

1. Giving strong Administration support for repeal of the Byrd provision: Your statement before the Senate Foreign Relations Committee and your letter of October 3 to Congressmen Fraser and Diggs were of great help toward this objective. As the matter proceeds to the floor of the Senate and the House, we may need to ask your further intervention.

2. Shifting our public posture on the Portuguese territories from one which talks of self-determination to one which talks of independence through negotiation. This would risk harming our relations with Portugal, which has adamantly refused to talk about independence or to negotiate with the liberation movements. We need, however, to face squarely the fact that the movement toward independence in the Portuguese African territories is gaining momentum and widespread support, particularly from the Soviets and Chinese, as well as our European allies.

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Neither Portugal nor South Africa has any option but to maintain their relationship with the United States. There is no possibility their present governments will opt for alliance with the USSR or China. On the other hand, this option is open to the independent African nations.

3. Readjusting our policies toward African liberation movements: These movements have become the symbols in Africa, in international conferences and at the United Nations of African opposition to colonialism, particularly in the Portuguese territories. The United States is increasingly isolated with Portugal and South Africa and, occasionally, Britain and France on issues relating to those movements. We should cease active opposition to them without according recognition. Specifically, we should:

- a. Accede to their being seated as observers at the United Nations;
- b. Not oppose the extension of Specialized Agency activities to them if other UN members wish this; and
- c. Expand contacts with the movements' representatives in New York and in the field.

4. Inviting one African head of state from a country on the borders of southern Africa to visit President Nixon in Washington during 1974. We suggest one of the following:

- a. Kenneth Kaunda of Zambia
- b. Sir Seretse Khama of Botswana
- c. Julius Nyerere of Tanzania.

F. Economic Issues:

The United States is already totally dependent upon imports for chromium and tin. Within a generation this complete dependence will extend to aluminum, manganese

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and tungsten; and we will import two-thirds or more of our copper, iron, lead, nickel and zinc.

Western Europe and Japan are already thoroughly dependent on imports, particularly for petroleum. The price for access to other resources will rise just as it has for petroleum.

Pressure on resources is leading inexorably to intensified competition among the industrialized countries, as well as the developing countries. The competition of consumer nations has already begun, but no matter what techniques may be employed--direct investment, long-term purchase contracts or joint ventures--the resources remain under the control of other sovereign powers increasingly assertive of sovereign rights.

Africa is an important supplier or potential source of all the resources mentioned except zinc. Nigeria has replaced Venezuela as our second largest supplier of crude oil.

Our basic problem is to assure access at an acceptable cost to strategic minerals and other resources, not only in Africa but throughout the developing world, while preserving our industrial power base, providing a reasonable standard of living for our growing population and avoiding the danger of new, economic colonialism.

G. New Economic Policies Needed:

A continued hard-line approach to economic issues--trade, monetary, investment, and development--as exemplified in Secretary Shultz' speech in Nairobi will lead to a further isolation of the United States as a major roadblock to the economic independence of the developing countries and eventually either to a more aggressive role for the United States in the future or to a continued decline in our economic and therefore our military and political power. We need a new style as well as new policies. Specifically, we propose:

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1. Supporting in principle an SDR/aid link. It will take time to work out details. Some of our friends who have supported the link will find difficulties with implementation. They now hide behind our opposition. Failure of the LDC's to obtain satisfaction will increase pressure for them to find other means to get the capital goods and technology they need for their development. At a minimum, we should determine whether there is any flexibility in our position and, if so, what could be accomplished which might satisfy African (and other LDC) hopes.

2. We need strong Administration leadership for bilateral assistance which is responsive to developing country priorities. This means reducing the size of our AID missions abroad to provide "implementers" rather than "programmers." This would force us to meet real LDC needs for modern technology, expertise and training, rather than to initiate our own notions of LDC needs. The current fad in bilateral assistance is leading us to provide welfare and involving us in the internal affairs, rather than the economic growth, of recipient states.

3. We should examine our policy on concessional aid and consider whether to reserve it primarily for the poorest countries. African countries with substantial revenues from natural resources and industrial development (Nigeria, Zaire, Kenya, Ivory Coast, Gabon) would be informed they would have to rely on EXIM loans and technical assistance. Our major effort in the Sahel could constitute the first step in this changeover.

4. We should take a position in principle in favor of market organization and price stabilization for primary commodities, particularly coffee and cocoa. In this age of inflation consuming countries have a stronger interest in price stabilization and assurance of supplies than they had in the past. We should be able to rely on our negotiations to protect consumer interests and still avoid the stigma of being the bad guy on commodity agreements.

5. We have a common interest with many developing countries in the cost of energy. In our diplomacy we should recognize this. The OECD rich man's club is a

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useful forum for energy discussions, but it should be broadened to demonstrate our concern that economic development of poor countries will also be held back by the increasing cost of energy. With our help (EXIM) and that of the World Bank, Africa's hydroelectric potential provides an alternative to petroleum for some African nations.

6. We should continue to press for Congressional approval of generalized preferences for developing countries. We are behind everyone else on this question, which is basically a political gesture of little real economic benefit to the LDC's and little harm to US trading interests.

7. We should try to obtain from Congress a small U.S. contribution to the Special Fund of the African Development Bank. This Bank is the only regional development institution for which the Administration has hesitated to seek funds from Congress.

H. Conclusion

The Department has begun the process of assessing our future role in relations with the developing countries. A good start is the paper distributed by Mr. Casey on September 4. In AF, we feel the Department has not examined all the options sufficiently to be prepared for interagency discussion of the issues, and I recommend additional internal examination of our strategy before proceeding further with CIEP discussions.

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This paper is worth reading.

ISSUES:

1. Our overall political relations with Africa (described as "going downhill"), in particular the Southern African issue. The bureau recommends several steps including:

- repeal of the Byrd Amendment; _____
- a shift in our policy towards Portugal; _____
- increased relations with national-liberation movements; and _____
- visits by African leaders.

It notes that our position in Africa is generally slipping; the recommended actions would stem the decline somewhat.

2. Our economic policies in Africa. The bureau notes that we will be increasingly dependent on African resources. It recommends measures (several of which have applicability beyond Africa) including:

- accepting the SDR-aid link; _____
- reorientation of our aid programs in Africa; and _____
- a sympathetic approach to commodity agreements. _____

The bureau further notes the need for a new look within the Department at our African policies.

ACTION RECOMMENDED:

That you approve AF's proposal to undertake a study within the Department of options and strategies in our African policy, particularly on economic issues. AF will specifically staff out the measures checked by you above.

Approve _____

Disapprove _____

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